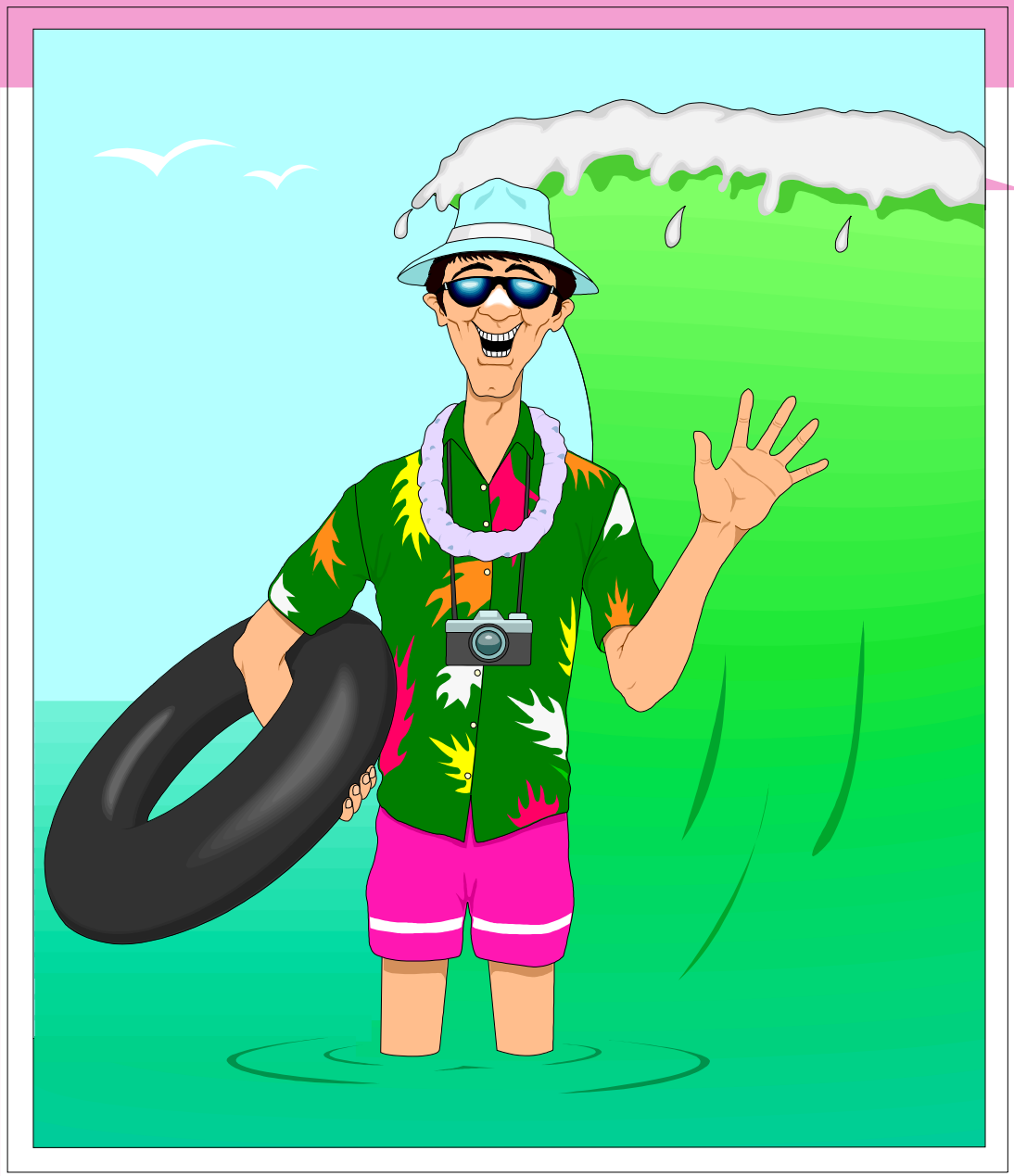
The Art Of Benchmarking

Workshop Objectives

- Have a better understanding of the steps
- involved in a Benchmarking Study
- Understand the Benchmarking Methods
- Understand the Benchmarking Code of Conduct
- and Benchmarking Protocol and Ethics
- Understand the different Benchmarking tools
- Understand the Benchmarking jargon
- Understand the necessity for preparation and extensive research



Is Not Industrial Tourism

Benchmarking

Is the continuous and systematic process of identifying, analyzing, and adapting industries' best practices that will lead an organization to superior performance

(Spendolini 1992)

Why?

- Satisfy customers' needs and expectations
- Adapt "Best Practices"
- Develop and stimulate strategic planning
- Encourage creative thinking - getting out of the box…..and discover emerging technologies
- Achieve superior performance
- To accelerate process improvement

What Is?

- A methodical study
- A discovery process
- An improvement method
- A learning opportunity
- A tool used to identify, establish, and achieve standards of excellence
- A management commitment
- Continuous

Is Not!

- A cookbook process
- A management fad
- Review of own operations
- A free trip
- Reinventing the wheel
- Just measurement
- Comparing to “similar” organizations

When To?

- Management changes
- New or changing operations
- Continuous improvement
- Changing or adapting to new processes, products, or services
- Process redesign initiatives
- Survival

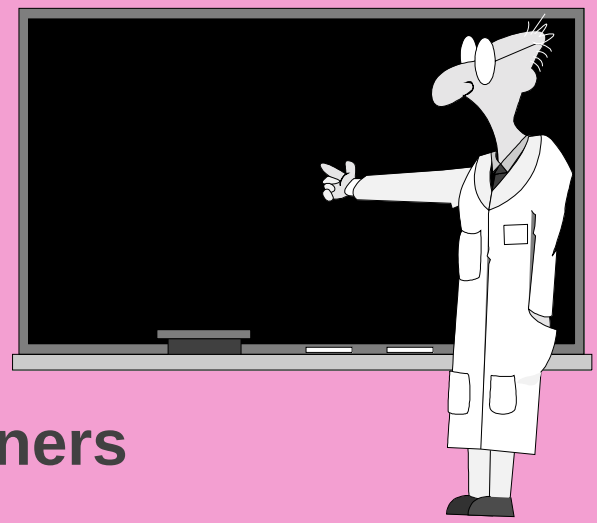
Where To?

- Agency Experts
- IBC
- Internet, Dialog, BenchNet
- Libraries
- Best Practice Data Bases
- PTO Resource Library
- Consultants
- Colleges/Universities
- **Many more**

Benefits Of

- A better understanding of products and services
- A better understanding about customers needs and expectations
- Meaningful goals and performance measures reflecting customer requirements
- The accelerated rate of change within an organization

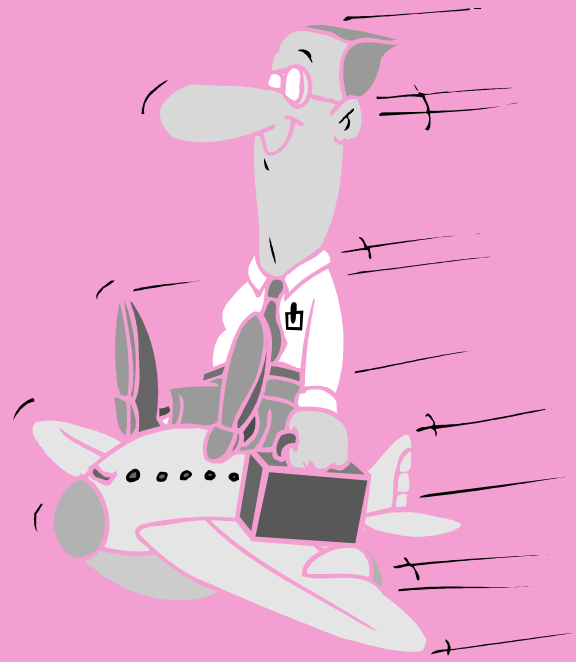
Benchmarking Tips

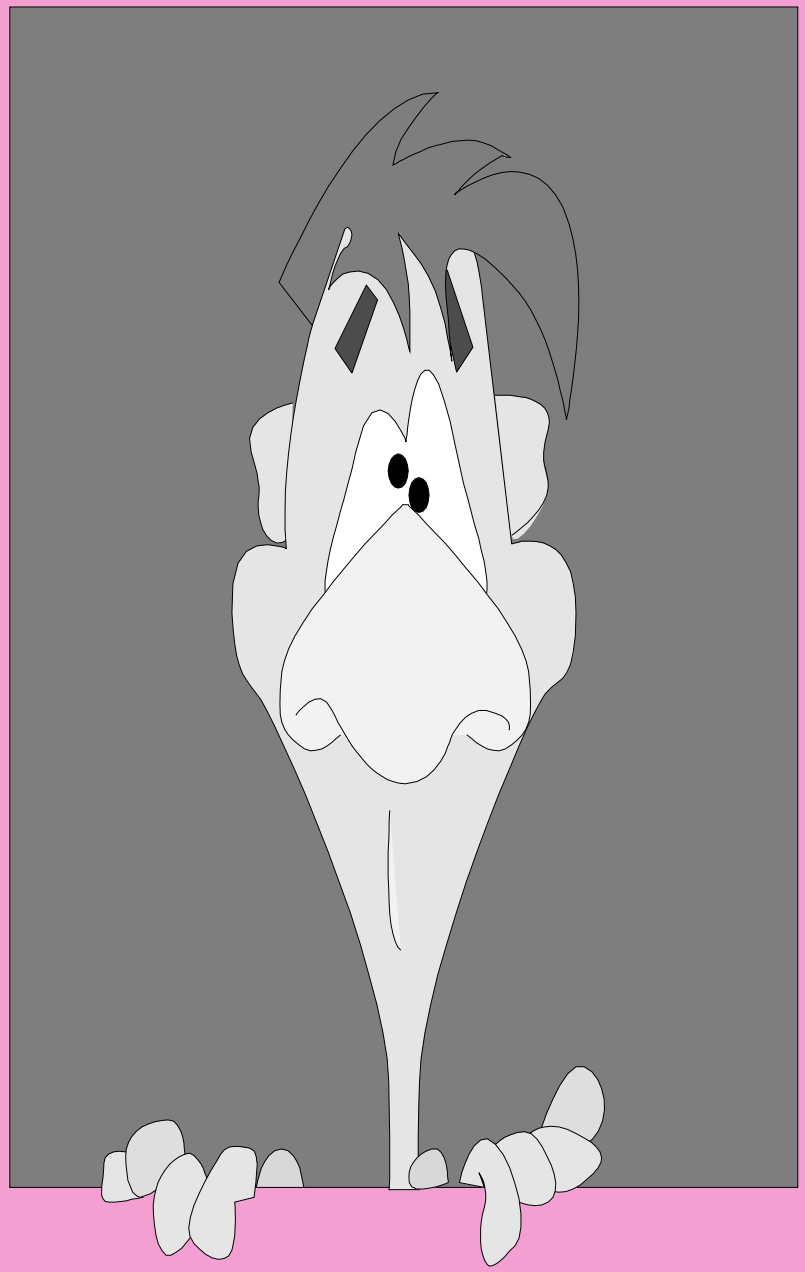


- Select the right team and mix of skills
- Obtain management commitment
- Select a benchmarking project that ties to strategic goals and objectives
- Get support/involvement of process owners
- The team should have an adequate understanding of the process under study
- When selecting benchmarking partners, do not confine yourself to companies in your own industry
- Provide an incentive for a potential partner to participate
- Focus on best practices, not just measurements
- When selecting your benchmarking team include supporters and skeptics alike

Benchmarking Mistakes

- Own process not examined
- “Feel Good” trips
- Goals and questions too vague
- Scope too broad
- Lack of team commitment
- No upfront research
- Wrong benchmarkee
- Didn’t go outside of own industry
- No action taken





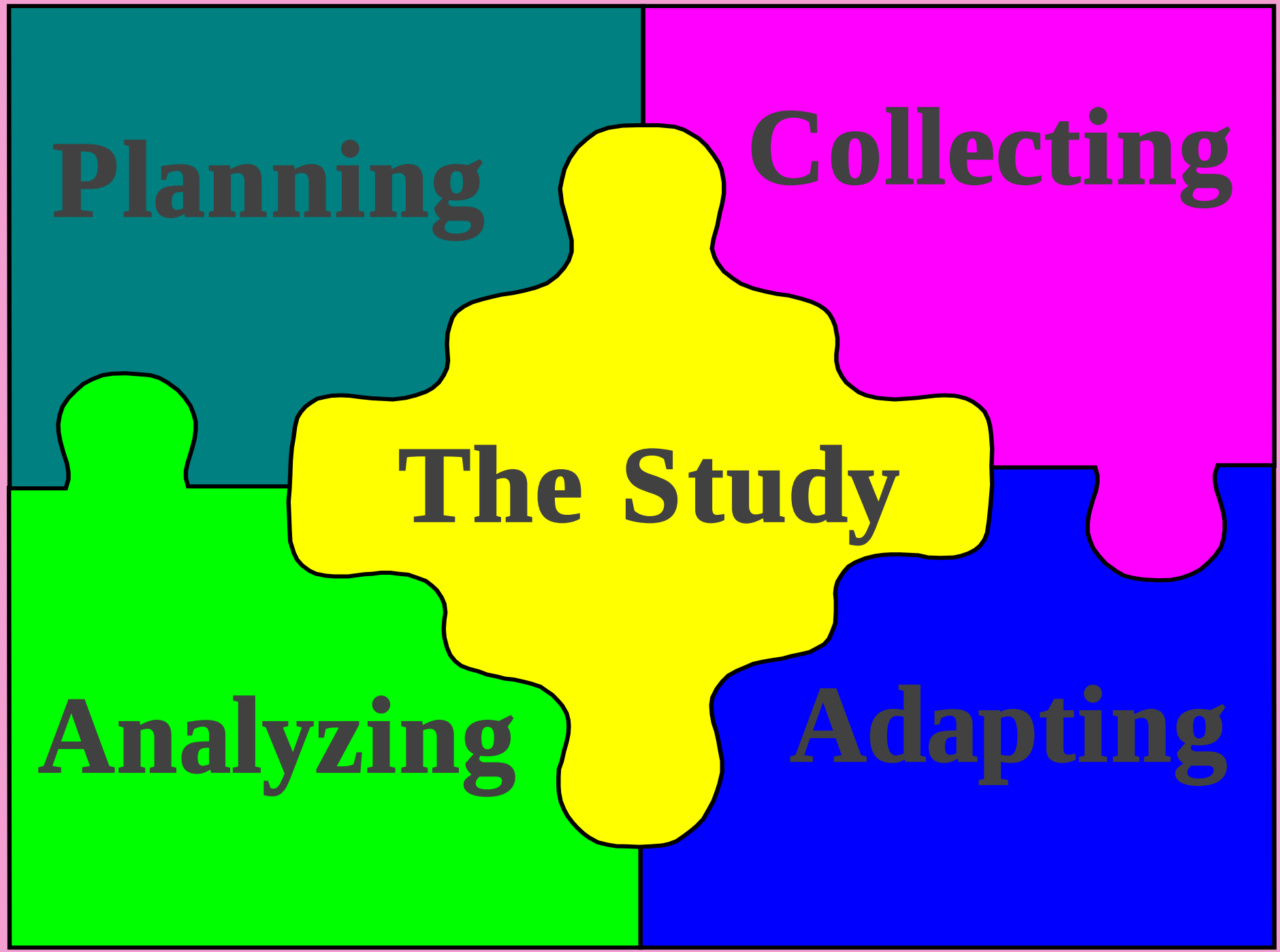
Methods of Benchmarking

- Internal
- Competitive
- Functional
- Generic

Before Benchmarking

ASK:

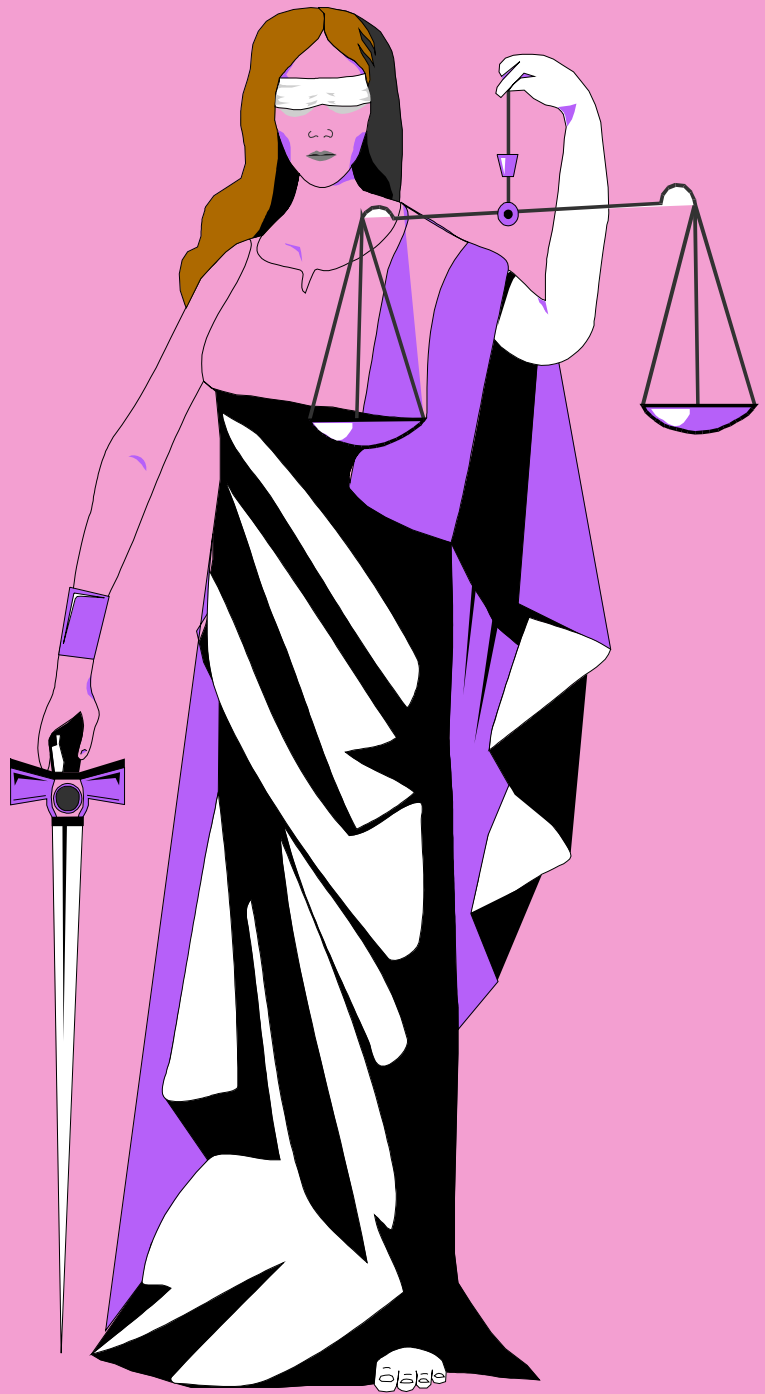
- What type of Benchmarking Study?
- Does management understand benchmarking?
- Is management committed?
- How does the benchmarking study tie into the
- strategic plan?
- Who are my customers?
- What is driving the benchmarking study?
- What are we going to Benchmark?
- What resources are committed to the study?
- What resources are needed for the study?
- How is the information to be used?


Planning
Collecting
The Study
Analyzing
Adapting

Select the process
Identify and gain participation of sponsor and stakeholder
Submit benchmarking request to Benchmarking Coordinator
Select team members
Provide Benchmarking Awareness Training

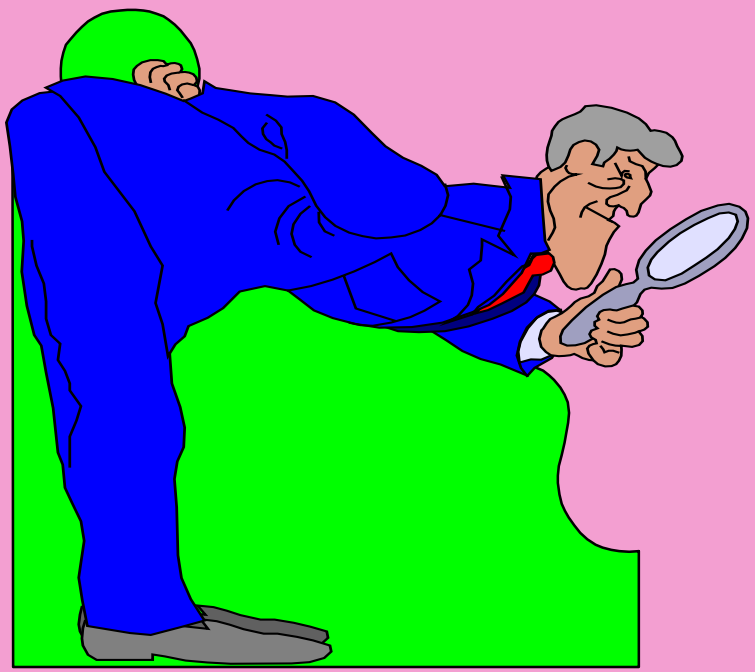
Identify objective of benchmarking study
Identify products/services, customers, and their expectations
Analyze and document process flow
Establish generic performance measures
Identify/select Critical Success Factors
Develop criteria for secondary research

Conduct extensive literature search
Identify “Best in Class” and potential partners
Review legal and ethical issues and benchmarking protocol
Plan data collection strategy
Select and develop primary research mechanisms
Conduct initial screening of potential partners
Collect and analyze initial screening data, narrowing potential partner list
Develop more in-depth data questions for second contact with the organization
Collect and analyze in-depth data narrowing potential partner list
Collect preliminary data on the organization for site visit
Prepare for and conduct site visit



Code Of Conduct

Organize and reformat the data to show gaps
Determine if all data is meaningful
Normalize performance
Determine partners processes
Compare measurements
Project performance
Isolate process enablers



Evaluate the nature of the process enablers and best practices
Summarize partners methods

Set goals to reduce, meet and then exceed the performance gap

Incorporate organizational culture and structure during modification of enablers and best practices

Gain acceptance, support, commitment and ownership by communicating findings

Develop an implementation plan

Communicate the implementation plan to management

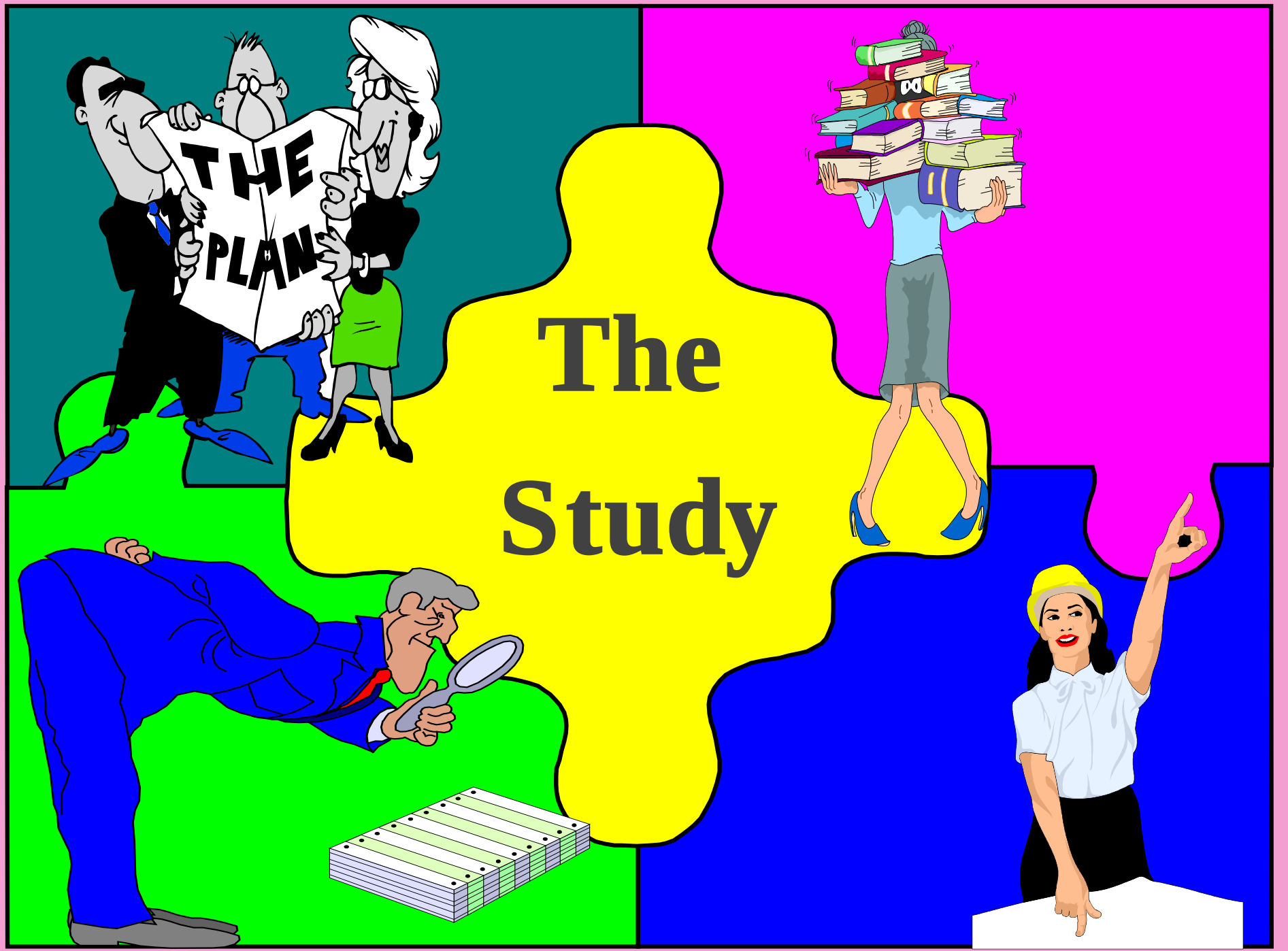
Obtain resources required for implementation

Implement of the action plan

Monitor and report progress toward the goal

Identify opportunities for future benchmarking efforts

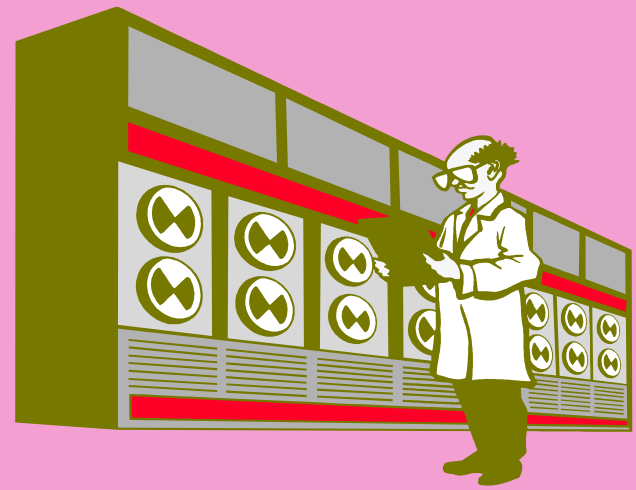
Re-calibrate the measure regularly

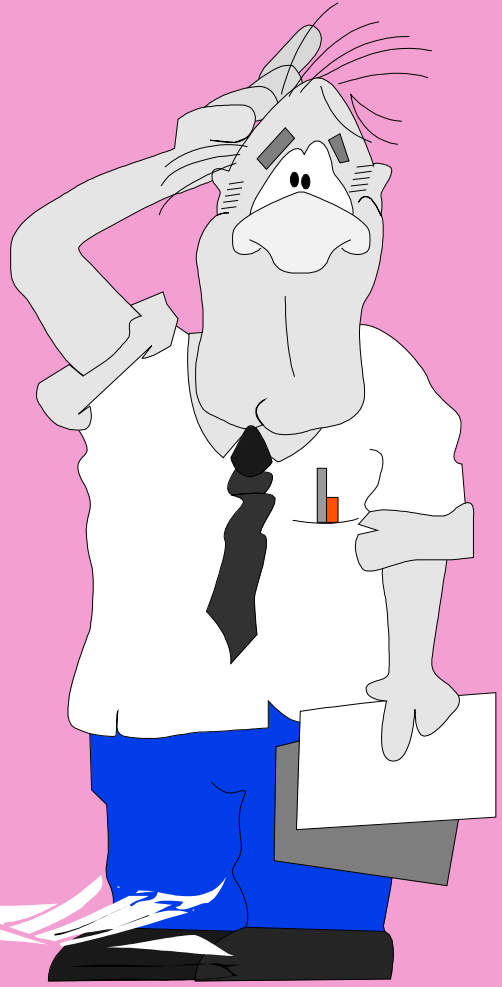

THE
PLAN
The
Study

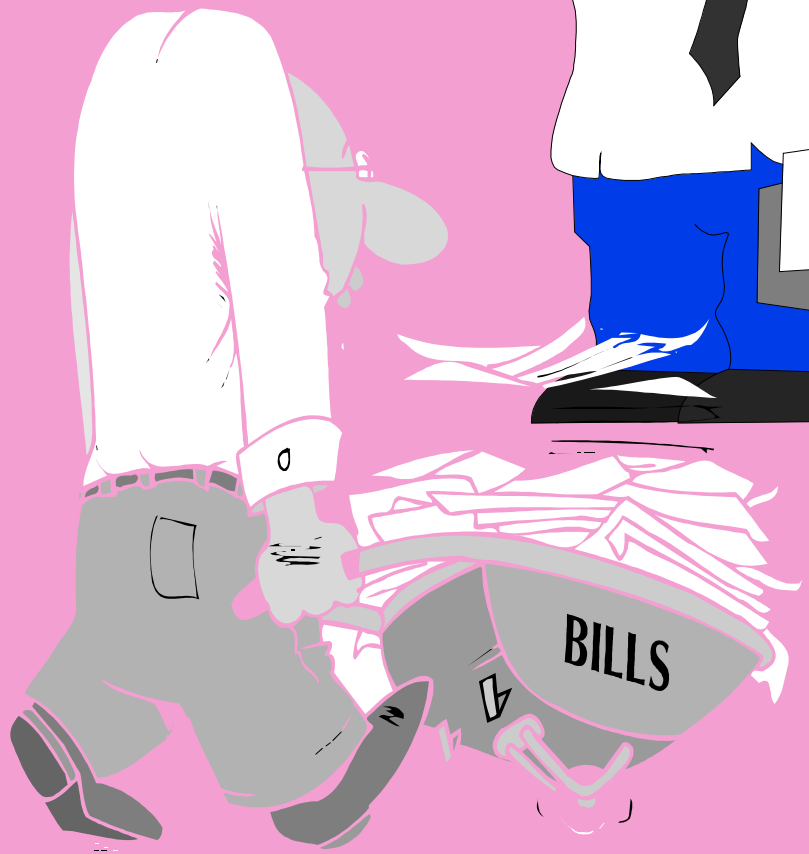
Team Work

- Management
- Sponsors
- Process Owner
- Team members

FORD







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